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March 2, 2004
Ms Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 95-116

Dear Ms Dortch:

This is to inform you that on March 1, 2004, Bill Shaughnessy and I, representing BellSouth Corporation, met with Daniel Gonzalez, Legal Advisor to Commissioner Martin, to discuss BellSouth's Petition for Declaratory Ruling and/or Waiver filed in CC Docket No. 95-116. In particular we discussed the nature of the relief BellSouth sought and the need for prompt action on the petition. The attached documents formed the basis of the presentation.

In accordance with Section 1.1206, I am filing this notice and attachment electronically and request that you please place both in the record of the proceeding identified above. Thank you.

Sincerely,

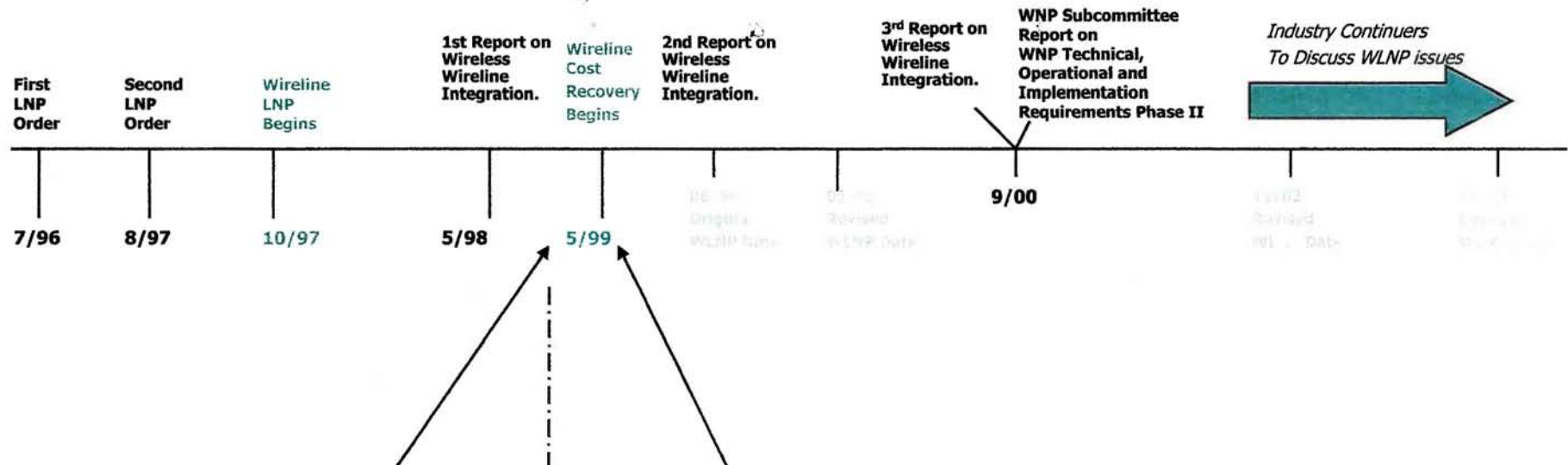
A handwritten signature in blue ink that reads "Kathleen B. Levitz". The signature is written in a cursive, flowing style.

Kathleen B. Levitz

Attachment

cc: Daniel Gonzalez

Wireline Cost Recovery for Wireless LNP



Recoverable costs were either actual costs for implementation of wireline LNP or expected costs that could be quantified because wireline requirements were known.

It was impossible for wireline service providers to include the costs of WLNP in their LNP costs studies because the industry was still developing WLNP requirements and resolving WLNP issues.

Background

Local Number Portability:

- In the 1996 First LNP Order the FCC established rules for the implementation of service provider number portability for both wireline and wireless service providers.
- Initially, the Commission required all wireline carriers (LECs) to provide number portability in the 100 largest Metropolitan Statistical Areas ("MSAs") according to a phased deployment schedule that commenced on October 1, 1997 and concluded December 31, 1998.
- For Wireless LNP, the Commission set an initial compliance date of June 30, 1999 but subsequently the Commission extended the deadline on three separate occasions resulting in WLNP implementation beginning on November 24, 2003.

Cost Recovery for Local Number Portability

- In the 1998 Third LNP Order (Par 8 & 36), the FCC concluded that the costs of establishing number portability includes those costs that LECs incur to meet the obligations imposed by section 251(b)(2) (1996 Telecom Act) for the industry-wide solution to local number portability.
- Also, in the Third LNP Order, the FCC allowed rate of return LECs and price cap LECs to recover their carrier specific costs directly related to providing LNP through a federal tariffed, monthly number portability surcharge.
- BellSouth filed costs study and tariff in 1999. BellSouth did not include wireless LNP costs in its original 1999 LNP cost study since WLNP costs were unknown at that time
- LNP surcharge was approved and implemented in 1999 for a five-year period to recover the costs for implementation of wireline LNP. The existing surcharge will be eliminated in May 2004.
- The end user charge cannot be changed during the five-year period unless it can be shown that the end-user charge was not reasonable based on the information available at the time it was initially set

Wireless Local Number Portability:

- The costs to support wireless LNP are carrier specific costs directly related to providing LNP that LECs must incur to meet the LNP requirement. These costs are separate and distinct from the cost to implement wireline LNP. WLNP requirements were still under development, and WLNP industry issues were unresolved. Examination of the record clearly shows that the requirements for wireless portability were not developed or finalized until after the implementation of wireline LNP.
- The Act and the commission's existing rules support allowing incumbent LECs to recover wireless LNP costs through an end-user charge.

BellSouth Petition:

- BellSouth did ex parte on 12/04/02 on cost recovery for Wireless LNP and requesting that

- ❖ Wireline service providers should be allowed to recover their carrier specific costs for the implementation of WLNP.
- ❖ FCC should allow wireline service providers to recover the costs for implementing wireless portability by modifying the existing LNP surcharge.
- Subsequent ex parte done on 2/20/03 where FCC Staff recommended a 2-prong approach:
 - ❖ First we needed to file a petition for declaratory ruling asking for cost recovery.
 - ❖ Upon approval to recover costs for WLNP, file a cost study and tariff.
- In addition, Staff explained the alternatives they would like to see.

BellSouth Petition:

- BellSouth filed petition for declaratory ruling on November 14, 2003 requesting approval for cost recovery for WLNP.
- Estimated costs for implementation of LNP is: \$37,882,032.00
- Costs Summary:

a) OSS	\$17,133,698.00
b) Centers	\$14,623,434.00
c) NeuStar	\$ 5,936,786.00
d) Project Management	\$188,114.00

- Petition included the following proposals for modifying the exiting LNP Surcharge:

<u>Scenario</u>	<u>Amount</u>
Scenario 1 (Increase Current \$0.35 LNP Rate January 2004 through May 2004)	\$0.66
Scenario 2 (WLNP Rate – Three- Month Recovery)	\$0.45
Scenario 3 (WLNP Rate – Six Month Recovery)	\$0.23
Scenario 4 (One Time Charge)	\$1.21